

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, AUGUST 5, 2008

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Robert Jackson, Marc Malkasian, John Glynn and David Coppotelli from the Rhode Island Department of Transportation; Lisa Primiano from the Rhode Island Department of Environmental Management; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Juan Mariscal, Romeo Mendes and William Riverso from the Rhode Island Water Resources Board; Michael D. Mitchell from the Rhode Island Department of Administration; Steven Feinberg from the Rhode Island Film & Television Office; Audra Gorman and Donna Bloom from Brotherhood Productions, Inc.; and Jeffrey Hatcher from RGB Design Studios.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present. Chairman Flynn also indicated that Items D, F & H of the agenda are deferred to a future meeting of the State Properties Committee.

A motion was made to approve the regular minutes of the State

Properties Committee meeting held on July 22, 2008, as amended, by Mr. Pagliarini and seconded by Mr. Griffith .

Passed Unanimously

A motion was made to approve the Executive Session minutes of the State Properties Committee meeting held on July 22, 2008, by Mr. Kay and seconded by Mr. Pagliarini. The Executive Session meeting minutes will remain sealed until such time as the matter is resolved pursuant to the motion made by Mr. Griffith and seconded by Mr. Kay on July 22, 2008.

Passed Unanimously

The next regular meeting of the State Properties Committee will be held on Tuesday, August 19, 2008, at 10:00 a.m.

ITEM A – Office of Film and Television / Department of Corrections – A request was made for approval of and signatures on a Film Location Agreement by and between the State of Rhode Island, acting through the Department of Corrections and Brotherhood Productions, Inc. for the filming of scenes for Season 3 of the “Brotherhood” television series. Mr. Feinberg indicated that he and representatives of Brotherhood Productions, Inc. have previously consulted with A.T. Wall, Director of the Department of Corrections, regarding permission to film an exterior scene of “Brotherhood” near the sally port and or the parking lot of the maximum security facility of the Adult Correctional Institution. The filming of said scene is scheduled for August 8, 2008, from approximately 6:00 a.m. to approximately 2:00 p.m. Mr. Fienberg indicated that the scene being filmed involves

dialog only. Chairman Flynn indicated that the State Properties Committee received a letter from Director A. T. Wall in lieu of an appearance by a representative of the Department of Corrections due to scheduling conflicts. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Office of Film and Television / Department of Transportation

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A request was made for approval of and signatures on a Blanket Letter of Authorization by and between the Department of Transportation and Brotherhood Productions, Inc. for use of Department of Transportation controlled property for the filming of Season 3 of the “Brotherhood” television series. Mr. Malkasian explained that the document before the Committee is a slightly different version of the Blanket Letter of Authorization which was approved at the special meeting of the State Properties Committee held last week. Mr. Malkasian indicated that the term of the subject Blanket Letter of Authorization commences on August 19, 2008, and expires on October 31, 2008. Mr. Malkasian stated that Brotherhood Productions, Inc. will pay compensation to the Department of Transportation in the amount \$1,500 per day for each day of filming. Mr. Malkasian explained that each time Brotherhood Productions, Inc. requests use of Department of Transportation controlled property, it is required to provide the Department with five (5) days advance notice during which time the Department conducts due diligence relative to said request. Mr. Malkasian indicated that Brotherhood

Productions, Inc. has secured the necessary insurance coverage. Mr. Pagliarini stated that he continues to have serious concerns regarding the State Properties Committee abrogating its authority to the Department of Transportation. Mr. Pagliarini indicated he does not believe that approval of such an agreement is permissible under the Rules and Regulations of the State Properties Committee. Mr. Pagliarini stated that he is uncomfortable with the precedent being set and will not vote to approve the Department of Transportation's request for approval of a "Blanket Letter of Authorization." Mr. Woolley indicated that during his travels, he observed the filming location under the bridge and stated that he found the operation to be well organized and running smoothly. Mr. Woolley noted that there was appropriate traffic control in place and the filming equipment and crew were situated so as not to disrupt or impact the flow of traffic on or off the highway in any way. Mr. Woolley does not believe there is any problem with the State Properties Committee deferring to the expertise of the Department of Transportation with respect to the use of its property. Mr. Pagliarini reiterated that the Blanket Letter of Authorization allows the Department of Transportation to make unilateral decisions regarding the utilization of property of an extremely sensitive nature including the Jamestown Bridge and Route 95. Mr. Woolley reiterated that the State Properties Committee should rely on the expertise of the various State agencies without micromanaging them. Mr. Woolley stated that he is not aware of any provision contained in the Committee's Rules and Regulations or the statutory mandate that prevents the State Properties Committee from

granting this type of approval and in fact believes such approvals have been granted in the past. Mr. Pagliarini stated that the State Properties Committee's Rules and Regulations are lacking and do not address myriad issues, which come before the Committee. Mr. Pagliarini again noted that the Committee denied a request by the Department of Transportation, which would grant it authority to make independent decisions regarding requests from third parties to utilize State-owned property for de minimis purposes such as license agreements for the purpose of erecting signs; therefore, he stated he intends to be consistent in his position relative to granting such authority. Mr. Griffith indicated that the State Properties Committee does not have the capacity or expertise to supersede the Department of Transportation's authority to oversee these types of operations. Mr. Griffith indicated that by approving the subject request, the State Properties Committee is acknowledging and recognizing the Department of Transportation's expertise in this area and therefore supports approval of the Blanket Letter of Authorization. Mr. Pagliarini indicated that he disagrees with the underlying premise of Mr. Griffith's statement as the State Properties Committee is a body utilized as a check and balance point regarding decisions made relative to all State-owned property. Mr. Pagliarini noted several examples of the Committee's denial of requests made by various agencies whereby the Committee did supersede the authority of an individual agency based upon what it believed was in the best interest of the State of Rhode Island and its residents. Mr. Pagliarini reiterated that the Committee will abrogate its authority if it approves

the subject Blanket Letter of Authorization granting the Department of Transportation authority to make unilateral decisions concerning the State's most sensitive properties. It is Mr. Pagliarini's position that requiring the Department of Transportation to appear before the State Properties Committee concerning each request to utilize its property, particularly the utilization of property, which could adversely affect the safety and wellbeing of the public, is not an onerous request. In fact, Mr. Pagliarini considers said request the duty and fundamental responsibility of the State Properties Committee. Chairman Flynn assured Mr. Pagliarini that the Department of Transportation has a clear understanding that any request involving the use of property of a sensitive nature or the use of property, which could adversely affect the safety and well being of the State and/or its residents will require an appearance before the State Properties Committee for its consideration and approval of said request. A motion was made by Mr. Woolley to approve the Blanket Letter of Authorization with the understanding that any extraordinary request from Brotherhood Productions, Inc. for the utilization of State-property of a sensitive nature shall require an appearance by the Department of Transportation before the State Properties Committee for further consideration and approval of said request. Said motion was seconded by Mr. Griffith. The motion passed three (3) votes "Aye" to two (2) votes "Nay."

Three Votes "Aye" Mr. Woolley

Mr. Griffith

Chairman Flynn

Two Votes “Nay”

Mr. Pagliarini

Mr. Kay

ITEM C – Department of Administration – A request was made for approval of an extension of the Purchase and Sale Contract by and between the Department of Administration and The Conservation Fund for the conveyance of 72.5 acres of land located behind the Oliver Stedman Government Center. Mr. Mitchell explained that on June 24, 2008, the State Properties Committee approved the Purchase and Sale Contract for the sale of the subject property. After conducting a title search, The Conservation Fund advised the Department of Administration that the title is actually in the name of the Rhode Island Refunding Bond Authority and is being used as collateral for certain bonds. Mr. Mitchell indicated that he met with the Rhode Island Refunding Bond Authority last Thursday and was informed that said bonds will be paid in full on or about October 1, 2008. At that time, the title will be transferred back to the State of Rhode Island and the Department of Administration can proceed with the sale of the property. Mr. Mitchell indicated that the Purchase and Sale Contract contains provisions that required the buyer to conduct surveys and other due diligence prior to August 7, 2008, and to close on the property prior to the end of August 2008. Mr. Mitchell indicated that he believes the closing date was actually set for August 15, 2008. The buyer has agreed to extend the date for completion of due diligence until October 24, 2008, and postpone the closing date until October 31, 2008. Therefore, Mr. Mitchell, on behalf of he

Department of Administration, is seeking the Committee's approval and execution of the First Amendment to the Purchase and Sale Contract. Mr. Pagliarini asked why the Department of Administration's Legal Division was not aware of the issues involving the title prior to the property being offered for sale. Mr. Mitchell indicated that he is not aware of any central registry of deeds and the actual negotiations regarding this transaction were accomplished by State-agencies rather than the Division of Legal Services. Mr. Mitchell explained the Division of Legal Services prepared the Purchase and Sale Contract under the assumption that the Department of Administration owned and held title to the subject property. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM D – Department of Administration – A request for approval of and signatures on a Grant of Easement by and between the Department of Administration and The Narragansett Electric Company for access onto property located on the northerly side of Danielson Pike in the Town of Scituate. This matter was deferred to the August 19, 2008, meeting of the State Properties Committee.

ITEM E – Water Resources Board – A request was made for authorization to initiate negotiations for the possible acquisition of a future public drinking water supply site. Mr. Mariscal explained that the Water Resources Board has two approved bond issues, which provide funds for the Board to acquire future groundwater/public drinking water well sites in the South County area. The Board has a

\$1.3 million dollars from a bond issued in 2000, and \$8 million dollar from a bond issued in 2004. Mr. Mariscal indicated that the State Properties Committee previously approved approximately twenty (20) different properties for the Water Resources Board to examine as possible future sites. Mr. Mariscal stated that the Board has identified one site and expects to acquire the property within a month. Mr. Mariscal explained that the Board has recently identified another potential site consisting of approximately 426 acres of land located south of Route 138, west of Route 95 and east of Route 3 in the Towns of Richmond and Hopkinton. Mr. Mariscal indicated that this site's particular appeal is due to its close proximity to an area, which is served by a public drinking water supply. Mr. Mariscal stated that the Town of Richmond has expressed an interest in developing a backup supply to its existing well fields in the northern region of Richmond. Therefore, the Water Resources Board is before the Committee today seeking approval to enter into negotiations with the property owner and to conduct due diligence relative to the subject property. Chairman Flynn indicated that the aforementioned funding can only be utilized for property acquisition; not water supply development. Mr. Mariscal indicated that is correct; the funds can only be utilized to reserve potential future well sites. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Water Resources Board – A request for approval of and signatures on a Lease Agreement by and between the Water Resource Board and Greenwich Village Nursery and Kindergarten,

LTD. for the premises located at 227 Noonseneck Hill Road in the Town of West Greenwich. This matter was deferred to the August 19, 2008, meeting of the State Properties Committee.

ITEM G – Department of Transportation – A request was made to convey approximately 9,300 square feet of State-owned land located on Pawtucket Avenue at the Seekonk River Crossing in the City of East Providence, which abuts the Wampanoag Mall. Chairman Flynn explained that this request came before the State Properties Committee on June 24, 2008, and was denied without prejudice at that time. Chairman Flynn indicated that since that time the Committee has approved a similar request for the conveyance of property located across Pawtucket Avenue; therefore, the Department of Transportation is returning to the Committee relative to the conveyance of the subject property. Mr. Jackson presented a site map for review by the State Properties Committee and explained the owners of the Wampanoag Mall plan to construct a new building on their property. However, the owners are concerned that the area available for access from Pawtucket Avenue to the new building will not be sufficient to accommodate large vehicles. Therefore, the owners of the mall approached the Department of Transportation with a request to purchase the subject property in order to ensure that the access area is adequate. Mr. Pagliarini recalled that the Committee initially denied this request until such time as the Department of Transportation provided the Committee with a master plan regarding the right-of way in order to avoid selling any of the property prematurely; therefore, Mr. Pagliarini asked whether the Committee

has been provided with any new information or whether this item is simply a resubmission for reconsideration. Chairman Flynn stated that the return of this item arose due to the Committee's approval to convey certain property to E'Zee Car Rental and Leasing Company. Mr. Pagliarini asked if he should interpret this to mean that the State of Rhode Island is no longer interested in preserving the right-of-way.

Chairman Flynn indicated that the State has every intention of preserving the right-of-way. It is Chairman Flynn's understanding that the Department of Transportation has decided not to dispose of the entire corridor, but intends to keep the corridor intact to preserve a potential link from Taunton Avenue to the Henderson Bridge. After reviewing the site map and discussing the right-of way and which properties should be retained by the State in order to preserve the-right-of way in great detail, a motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM H – Department of Environmental Management – A request for approval of and signatures on a Purchase and Sales Contract to acquire Agricultural Development Rights for approximately 132 acres in the Town of Tiverton and fee interest on 13 acres of land located in Little Compton; known as the Ferolbink Farms. This matter was deferred to a future meeting of the State Properties Committee at the request of the Department of Environmental Management.

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Deed to Development Rights over 15 acres of land located on Greenville Avenue in the

Town of Johnston; known as the Mathewson Farm. Ms. Primiano indicated that in May of 2008, the State Properties Committee approved and executed the Purchase and Sale Contract for the conveyance of the subject property. Since that time, the Department of Environmental Management has completed its due diligence relative to the property. Ms. Primiano indicated that the subject property is a historical farm with a long family history. The property was initially introduced to the Department as a potential donation. The appraised value of the development rights to the property is in excess of \$700,000. Due to the medical needs of one of the heirs of the property, the family has requested compensation in the amount of \$100,000 for the development rights to the property. Ms. Primiano indicated that the Department of Environmental Management is before the Committee today seeking approval and execution of the Deed to Development Rights. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Environment Management – A request was made for approval of and signatures on a Purchase and Sale Contract for the acquisition of 4.61 acres of land located in the Town of Foster. Ms. Primiano presented a site map for review by the State Properties Committee. Ms. Primiano explained that the Department of Environmental Management wishes to acquire public access to the so-called Jerimoth Hill, which is the high point of the State of Rhode Island and currently owned by Brown University. Ms. Primiano explained that via this acquisition, the Department of Environmental

Management will attain access to the high point itself. Ms. Primiano illustrated the exact location of the subject property currently owned by Jeffrey and Deborah Mosley. Ms. Primiano explained that the Department of Environmental Management learned that the Mosleys planned to sell the house and that the Department of Transportation, through the Federal Highway Administration, received one million dollar earmark for the acquisition of public access to Jerimoth Hill. The property, which consists of the house and 4.6 acres of land, was appraised by Andolfo Appraisal and valued at \$340,000. As part of this transaction, Brown University verbally agreed to grant the Department of Environmental Management a permanent public access easement to the actual high point. Ms. Primiano clarified that the Mosleys will provide road frontage access and Brown University will provide access to Jerimoth Hill. Chairman Flynn asked what the Department plans to do with the house. Ms. Primiano indicated that the Department of Environmental Management is in the midst of discussions with Brown University concerning the possibility of entering into a license agreement to allow the University to utilize the house for the operation of certain facets of its astronomy program. In fact, the University plans to invite the public to learn more about astronomy. Ms. Primiano indicated that the Department of Environmental Management and the Town of Foster are working together to possibly develop a small public parking area. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM K – Department of Transportation – A request was made for

approval of and signatures on a License Agreement by and between the Department of Transportation and Roman Enterprises, Inc. for use of 9,483 square feet of land located at 1413 Atwood Avenue in the Town of Johnston for employee parking. Mr. Coppotelli explained that the License Agreement is for a term of five (5) years. The license fee has been increased from \$250 per month to \$390 per month. Mr. Coppotelli indicated that the fee will be reevaluated at the end of the third year. Mr. Coppotelli presented a photograph and a site map of the subject property for review by the Committee. Chairman Flynn asked whether the Department of Transportation has considered an out right sale of the property. Mr. Malkasian explained that as the property abuts the westbound off-ramp of Route 6, the Department of Transportation wishes to retain ownership of the property in the event future roadwork becomes necessary. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:41 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

Holly H. Rhodes, Executive Secretary